

Alaska Visitor Statistics Program V

Interim Visitor Volume Report

Summer 2007

Prepared for:
State of Alaska

*Department of Commerce, Community
and Economic Development
Office of Economic Development*



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Key Findings

Visitor Volume, Summer 2007

An estimated 1.7 million out-of-state visitors came to Alaska between May and September, 2007. Nearly half of these visitors (49 percent) exited the state via cruise ship; 46 percent exited via air; 4 percent exited via highway; and 1 percent exited via ferry. Because some cruise ship visitors exit the state by air after completing their cruise, it is also useful to consider volume in terms of cruise and non-cruise visitors. As the chart below shows, 60 percent of all summer visitors spent at least one night on a cruise ship while in Alaska.

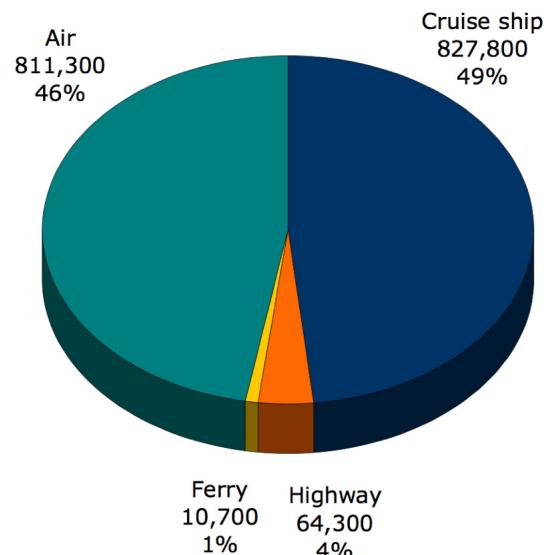
Changes 2006-2007

The summer of 2007 saw a 5.1 percent increase in visitor volume from summer 2006. The strongest growth occurred in cruise visitor exits, up 9.2 percent over 2006. Overall cruise visitor volume grew 7.3 percent (from 958,900 to 1,029,800) between 2006 and 2007. (The difference between the growth in exits and the growth in volume is attributable to a larger increase in round-trip voyages when compared to one-way voyages.)

Air visitor exits grew 1.9 percent. Highway exits were mixed, with visitor exits on the two northern highways (Top of the World and Alcan) increasing by 2.3 percent, and visitor exits on the Southeast highways (Haines and Klondike) falling by 7.5 percent.

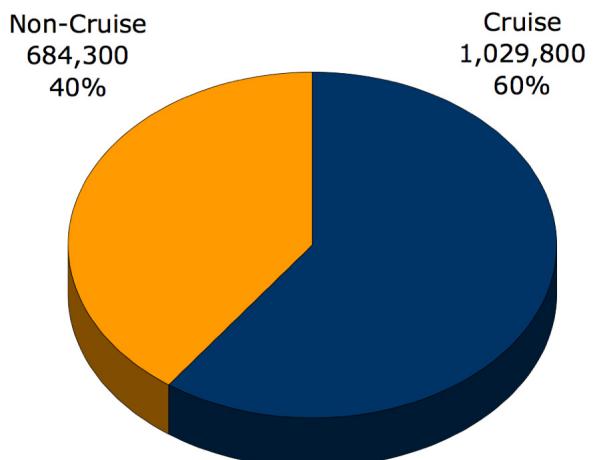
Visitor exits via ferry fell by 8.5 percent. Ferry visitor volumes were affected by the mid-August breakdown of the M/V Columbia, one of the two mainline vessels providing service to Bellingham. The vessel was not replaced, reducing the number of port calls to Bellingham in August and September.

Alaska Visitor Volume, Summer 2007
By Exit Mode



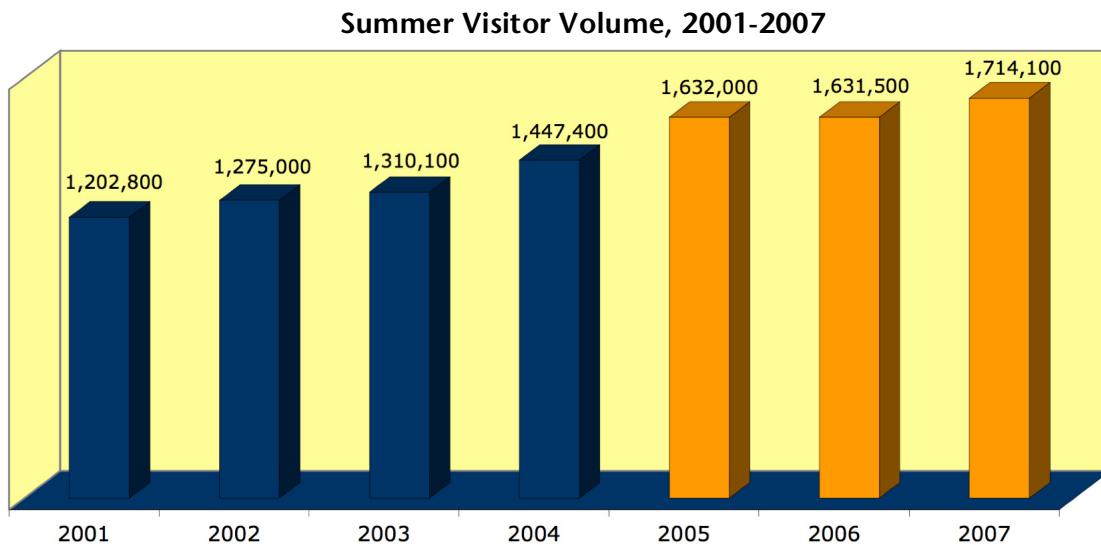
Total Visitor Volume: 1,714,100

Cruise Market Share, Summer 2007



Visitor Volume Trends

The chart below shows trends in estimated visitor volume, measured by mode of entry (2001-04) and exit (2005-07). Visitation increased by 43 percent between 2001 and 2007. (Although there appears to be a more significant increase between 2004 and 2005, this likely reflects updated data sources and methodology rather than a jump in visitation.) Between 2006 and 2007, visitor traffic increased 5.1 percent, largely driven by an increase in cruise passenger volume.



Sources: 2001-04 data from *Alaska Visitor Arrivals* studies (conducted by Northern Economics, Inc.); 2005-07 data based 2006 visitor/resident ratios obtained for AVSP V (conducted by McDowell Group, Inc.).

Introduction

This report provides visitor volume estimates for Alaska between May 1 and September 30, 2007. Volume estimates are based on data collected for *Alaska Visitor Statistics Program V*, a study administered by the Alaska Department of Commerce, Community and Economic Development. The estimates are compiled using two sets of data: exiting traffic data (ferry embarkations, airplane enplanements, cruise passenger traffic, and highway border crossings) and visitor/resident ratio data (the ratio of out-of-state visitors to Alaska residents exiting Alaska, by traffic mode, location, and month).

Summer ratio data was collected during the AVSP V summer study period, between May 1 and September 30, 2006. Nearly 50,000 travelers were tallied by survey field staff during this period. Ratios collected during 2006 were applied to 2007 traffic data to arrive at the estimates in this report.

A detailed description of the methodology employed in the visitor volume estimates can be found in the full AVSP V Summer and Fall/Winter reports, available at: www.dced.state.ak.us/oed/toubus/home.cfm

The AVSP V study team would like to acknowledge the following entities for their assistance with the project.

Alaska Travel Industry Association
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Alaska Marine Highway System
Yukon Department of Tourism and Culture
Cruise Line Agencies of Alaska
US Customs and Border Protection, Skagway border station

Visitor Volume, Summer 2007

Visitor Volume

Alaska received an estimated 1.7 million out-of-state visitors between May and September 2007. The table below shows how visitor volume breaks down by the transportation mode used to exit the state. The most common exit mode was cruise ship, accounting for 827,800 visitors. (The total number of cruise ship visitors in summer 2007 was 1,029,800; 202,000 of these visitors exited via other modes, predominately air, after completing their cruise.) The other major exit mode was air, accounting for 811,300 of visitor exits. Highway and ferry combined accounted for approximately 75,000 visitors. (Many highway visitors exit the state by ferry, and vice versa.)

Visitor Volume, by Exit Mode
AVSP V - Summer 2007

Exit Mode	Number of Visitors
Air	811,300
Cruise ship ¹	827,800
Highway	64,300
Ferry	10,700
Total	1,714,100

¹ The total number of cruise ship visitors to Alaska in Summer 2007 was 1,029,800; 202,000 of these visitors exited Alaska via other modes.

Out of the total 1.7 visitors in summer 2007, the vast majority (1.4 million) were traveling for vacation or pleasure. The second most-common trip purpose was visiting friends or relatives, accounting for over 150,000 summer visitors. Those traveling for business only accounted for over 80,000 visitors, and those combining business and pleasure accounted for nearly 70,000. (These figures are derived from applying trip purpose rates by exit mode from the summer 2006 AVSP survey to 2007 volume figures.)

Visitor Volume, by Trip Purpose
AVSP V - Summer 2007

Trip Purpose	Number of Visitors
Vacation/pleasure	1,411,900
Visiting friends/relatives	152,300
Business	81,800
Business/pleasure	68,100
Total	1,714,100

Total Traffic

"Total traffic" refers to the number of people exiting Alaska during the study period, including both Alaska residents and out-of-state visitors. These figures include passengers onboard planes exiting the state; cruise passengers sailing southbound from Alaska ports to non-Alaska ports; passengers in vehicles crossing from Alaska to the Yukon on the four highways; and passengers onboard Alaska Marine Highway vessels sailing from Alaska to Prince Rupert and Bellingham. Excluded from the highway figure are cruise passengers on day tours from Skagway who cross the border into the Yukon, then return to Skagway the same day.

Total Traffic, by Exit Mode
AVSP V - Summer 2007

Exit Mode	Total Traffic
Air	1,142,900
Cruise ship ¹	827,800
Highway	194,200
Ferry	16,400
Total	2,181,300

¹ The total number of cruise ship visitors to Alaska in Summer 2007 was 1,029,800.

Visitor/Resident Ratios

The following table shows the percentage of traffic for each exit mode that was out-of-state visitors in summer 2007. These ratios are a composite of ratios collected by location, on a monthly basis. Because they were applied to traffic data on a monthly and by-location basis, applying them to overall traffic will not yield the same results. Details on how these ratios were collected and applied to traffic data can be found in the AVSP V Summer 2006 report.

It is important to note that the highway ratio refers to highway travelers who are exiting the state for the final time on their trip. This eliminates the possibility of double-counting visitors who exit the state twice – for example, ferry passengers who exit the state at Beaver Creek, then re-enter at Haines to board a ferry.

Visitor/Resident Ratios, by Mode
AVSP V - Summer 2007

Exit Mode	Percentage Visitors
Domestic Air	70.9%
International Air	77.9%
Highway ¹	33.1%
Ferry	65.1%
Cruise ship	100.0%
Total	78.7%

¹ The highway ratio refers to "last-exit" visitors: not planning to re-enter Alaska on the same trip.

Visitor Volume Trends

Visitor Volume

The table below shows trends in estimated visitor volume by mode of entry (2001-04) and exit (2005-07). The change from entry to exit methodology does not affect the data; the same number of visitors entered Alaska as exited Alaska in any given year. However, the data shows a large increase between the two sets of data: visitation appears to have increased 13 percent between 2004 and 2005. This is not a real increase in visitation, but rather a reflection of updated data sources and methodology. For further detail on the differences between the two sets of data, please refer to the full *Alaska Visitor Statistics Program V, Summer 2006* report.

The summer of 2007 saw a 5.1 percent increase in visitor volume from summer 2006. The strongest growth occurred in cruise visitor exits, up 9.2 percent over 2006. Overall cruise visitor volume grew 7.3 percent (from 958,900 to 1,029,800) between 2006 and 2007 (see table, next page). The difference between the growth in exits and the growth in volume is attributable to a larger increase in round-trip voyages when compared to one-way voyages.

Air visitor exits grew 1.9 percent. Highway exits were mixed, with visitor exits on the two northern highways (Top of the World and Alcan) increasing by 2.3 percent, and visitor exits on the Southeast highways (Haines and Klondike) falling by 7.5 percent, for an overall decrease of 2.3 percent (see table, next page).

Visitor exits via ferry fell by 8.5 percent. Ferry visitor volumes (and likely highway traffic at the two Southeast borders) were affected by the mid-August breakdown of the M/V Columbia, one of the two mainline vessels providing service to Bellingham. The vessel was not replaced, reducing the number of port calls to Bellingham in August and September.

Trends in Visitor Volume, By Entry/Exit Mode, 2001-2007
AVSP V - Summer 2007

	2001	2002	2003	2004	2005	2006	2007	% change 2006-07
Air	588,900	594,300	592,900	635,600	786,700	795,900	811,300	+1.9%
Cruise ship	510,000	581,000	620,900	712,400	761,100	758,100	827,800	+9.2%
Highway	86,700	82,900	80,400	83,200	72,100	65,800	64,300	-2.3%
Ferry	17,200	16,800	15,900	16,200	12,100	11,700	10,700	-8.5%
Total	1,202,800	1,275,000	1,310,100	1,447,400	1,632,000	1,631,500	1,714,100	+5.1%
% change	n/a	+6.0%	+2.8%	+10.5%	+12.8%	0.0%	+5.1%	

Note: 2001-04 data based on entry mode; 2005-07 data based on exit mode.

Sources: 2001-04 data from *Alaska Visitor Arrivals* studies (conducted by Northern Economics, Inc.); 2005-07 data based on 2006 visitor/resident ratios obtained for AVSP V (conducted by McDowell Group, Inc.).

Cruise Volume Trends

The table below shows that total cruise passenger volume increased by 49 percent between 2001 and 2007. (Readers are reminded that the cruise traffic cited previously refers only to cruise passengers either exiting or entering the state via cruise ship.)

Alaska Cruise Passenger Volume, 2001-2007

	2001	2002	2003	2004	2005	2006	2007
Cruise volume	690,600	739,800	777,000	884,400	953,400	958,900	1,029,800
% change	+7.8%	+7.1%	+5.0%	+13.8%	+7.8%	+0.6%	+7.3%

Source: Cruise Line Agencies of Alaska.

Highway Visitor Volume by Location

The table below shows visitor volume for vehicles crossing from Alaska into Canada (and not returning to Alaska) between May and September 2007, segmented by Northern and Southeast highways.

Highway Visitor Exits, 2006-2007

	2006	2007	% change
Northern highways (Top of the World + Alcan)	34,909	35,704	+2.3%
Southeast highways (Klondike + Haines)	30,925	28,595	-7.5%
Total	62,167	60,472	-2.3%

Sources: Border crossing data from Yukon Department of Tourism and Culture; visitor/resident ratios from Summer 2006 AVSP.

Total Traffic

The following table, showing total traffic data (as opposed to visitor volume), provides another method for comparison between the two sets of data for individual travel modes. Because resident travel is not likely to have fluctuated dramatically over the study period, the trends in traffic data are generally indicative of the overall visitor market.

Trends in Traffic, By Entry/Exit Mode, 2001-2007
AVSP V - Summer 2007

	2001	2002	2003	2004	2005	2006	2007	% change 2006-07
Air	992,700	1,006,000	1,003,000	1,075,000	1,103,900	1,117,900	1,142,900	+2.2%
Cruise ship	510,000	581,000	620,900	712,400	761,100	758,100	827,800	+9.2%
Highway	222,400	213,900	207,300	210,900	214,500	199,300	194,200	-2.6%
Ferry	24,100	23,700	22,400	22,800	17,800	17,500	16,400	-6.3%
Total	1,749,200	1,824,600	1,853,600	2,021,100	2,097,300	2,092,800	2,181,300	+4.2%
% change	+4.3%	+1.6%	+9.0%		+3.8%	-0.2%	+4.2%	

Sources: 2001-04 data from *Alaska Visitor Arrivals* studies (conducted by Northern Economics, Inc.); 2005-07 data based on 2006 visitor/resident ratios obtained for AVSP V (conducted by McDowell Group, Inc.).

Note: Highway traffic for 2001-04 was adjusted to be comparable to 2005-06 data. Traffic data for 2001-04 formerly excluded vehicles that entered the state twice ("double-counted" traffic).